



Department of Justice

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JUSTICE DEPARTMENT CHARGES GREYHOUND WITH ANTICOMPETITIVE PRACTICES

WASHINGTON, D.C. -- The Department of Justice today challenged a lease provision used by Greyhound Lines Inc., the nation's largest bus company, that prevented smaller bus companies that lease space at Greyhound terminals from making tickets available for purchase anywhere else within 25 miles. The Department said the so called, "25 mile rule," limited competition from other bus companies which resulted in less bus service and less convenience for travellers.

The Department's Antitrust Division today filed a civil suit in U.S. District Court in Washington, D.C., against the Dallas-based company. At the same time, the parties filed a proposed consent decree that would settle the case, if approved by the court.

Because of the 25-mile rule, bus tickets were sold in fewer places and bus companies offered riders fewer services, the Department said. Today's action prevents Greyhound from enforcing the rule.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "The 25-mile rule limited other bus

companies from competing effectively against Greyhound. It resulted in less bus service and less convenience for consumers."

Greyhound's 25-mile rule made it harder for bus companies to offer full service to other locations near Greyhound terminals, such as competing bus terminals, college campuses, train stations, and airports. It limited competition in the distribution of bus tickets in many cities, making it difficult for any bus tickets to be sold except in a Greyhound terminal.

Finally, it made it harder for smaller bus companies to connect with each other to form alternative routes, in competition with Greyhound, in intercity bus service.

Under the agreement, Greyhound would drop the 25-mile rule from all of its lease agreements and would not impose any similar rule in the future. The agreement also prevents Greyhound from using leasing in other ways to limit bus companies from selling tickets outside Greyhound terminals.

As required by the Tunney Act, the proposed consent decree, along with the Department's competitive impact statement, will be published in the Federal Register. Anyone may submit written comments concerning the proposed decree during the 60-day public comment period to Roger W. Fones, Chief, Transportation and Energy Section, Room 9104, 555 4th Street, N.W., Washington, D.C. 20001.

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